



TRANSOCEAN HOLDINGS BHD

(Company No.: 36747-U)
(Incorporated in Malaysia)

UNAUDITED INTERIM FINANCIAL REPORT FOR PERIOD ENDED NOVEMBER 30, 2004

Dated January 19, 2005



**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2005
Second Quarter ended November 30, 2004**

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**INTERIM FINANCIAL REPORT
FINANCIAL YEAR 2005
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The Board of Directors is pleased to announce the Interim Financial Report on consolidated results of the Group for the Financial Year 2005, 2nd Quarter ended November 30, 2004.

The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30/11/04 RM'000	Preceding Year Quarter Ended 30/11/03 RM'000	Current Year-To-Date Ended 30/11/04 RM'000	Preceding Year-To-Date Ended 30/11/03 RM'000
Revenue	10,939	11,955	22,286	22,939
Other operating income	131	8	146	19
Operating profit before depreciation and finance cost	1,331	1,115	2,264	1,862
Depreciation & amortisation	(1,008)	(1,075)	(1,999)	(2,145)
Profit/(Loss) from operations	323	40	265	(283)
Finance cost	(525)	(593)	(1,077)	(1,171)
Share of results of an Associate company	(202)	(553)	(812)	(1,454)
	(115)	33	(80)	58
Loss before taxation	(317)	(520)	(892)	(1,396)
Taxation	(70)	(65)	(28)	(92)
Loss after taxation	(387)	(585)	(920)	(1,488)
Minority interest	219	221	348	370
Loss for the period	(168)	(364)	(572)	(1,118)
Loss per share (sen)				
- Basic	(0.58)	(1.26)	(1.97)	(3.86)
- Diluted	-----	Not applicable	-----	

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended May 31, 2004)

**INTERIM FINANCIAL REPORT
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	Unaudited As At 30/11/04 RM'000	Audited As At 31/5/04 RM'000
Property, plant and equipment	40,129	41,978
Land held for development	4,458	4,356
Investment in associated companies	104	184
Other investments	3	3
Goodwill on consolidation	878	934
Current Assets		
Inventories	4	5
Trade receivables	6,562	7,563
Other receivables	1,475	1,896
Cash and bank balances	177	138
	8,218	9,602
Current Liabilities		
Short term borrowings	18,165	17,490
Trade payables	3,298	4,232
Other payables	2,695	1,995
Taxation	103	153
	24,261	23,870
Net current liabilities	(16,043)	(14,268)
	29,529	33,187
Share capital	28,999	28,999
Accumulated losses	(9,083)	(8,511)
Shareholders' equity	19,916	20,488
Minority interest	57	406
Long term borrowings	9,214	11,951
Deferred taxation	342	342
	29,529	33,187
Net tangible assets per share (RM)	0.66	0.67

(The Condensed Consolidated Balance Sheets should be read in conjunction with the Annual Financial Report for the year ended May 31, 2004)



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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Accumulated	Total
	RM'000	loss	Shareholders'
		RM'000	Equity
			RM'000
As at June 1, 2004	28,999	(8,511)	20,488
Net loss for the period	0	(572)	(572)
Balance as at November 30, 2004	<u>28,999</u>	<u>(9,083)</u>	<u>19,916</u>
Balance as at June 1, 2003, as previously stated	28,999	(4,605)	24,394
Prior year adjustments	0	(169)	(169)
As at June 1, 2003 (restated)	<u>28,999</u>	<u>(4,774)</u>	<u>24,225</u>
Net loss for the period	0	(1,118)	(1,118)
Balance as at November 30, 2003	<u>28,999</u>	<u>(5,892)</u>	<u>23,107</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended May 31, 2004)

**INTERIM FINANCIAL REPORT
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	Current Year-To- Date Ended 30/11/04 RM'000	Preceding Year-To- Date Ended 30/11/03 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(892)	(1,396)
Adjustment for :-		
Non-cash items	2,023	2,195
Non-operating items	1,105	1,114
Operating profit before working capital changes	2,236	1,913
Changes in working capital :-		
Net change in current assets	1,073	(1,625)
Net change in current liabilities	(235)	1,452
Cash generated from operations	3,074	1,740
Interest paid	(1,077)	(1,171)
Taxation refunded/(paid)	252	(59)
Net cash generated from operating activities	2,249	510
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(221)	(192)
Increase in development expenditure	(102)	0
Net dividend received	3	0
Proceeds from disposal of property, plant and equipment	572	58
Net cash generated from/(used in) investing activities	252	(134)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of term loans	0	3,600
Repayment of loans, hire-purchase and lease payables	(2,355)	(4,720)
Net cash used in financing activities	(2,355)	(1,120)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	146	(744)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	(10,209)	(8,664)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	(10,063)	(9,408)
Cash and cash equivalents comprise :-		
Cash and bank balances	177	155
Bank overdrafts	(10,240)	(9,563)
	(10,063)	(9,408)

(The Condensed Consolidated Cash Flow Statement should be read in conjunction with the Annual Financial Report for the year ended May 31, 2004)



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NOTES TO THE INTERIM FINANCIAL REPORT

**SECTION A
DISCLOSURE NOTES AS REQUIRED UNDER MASB 26**

1 Basis of preparation

The interim financial report has been prepared in accordance with MASB 26 : Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended May 31, 2004.

The accounting policies and methods of computation used in the preparation of the interim financial report are consistent with those adopted in the audited financial statements for the financial year ended May 31, 2004.

2 Declaration of audit clarification

The auditors' report on the financial statements for the year ended May 31, 2004 was not subject to any qualification.

3 Seasonal or cyclical factors

The business operations of the Group are not materially affected by any seasonal or cyclical factors.

4 Unusual items

There were no unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial period ended November 30, 2004 except for a discount received from the Associate Company amounting to RM0.54 million (S\$0.24 million) during the quarter under review.

5 Changes in estimates

No estimates are reported in the prior interim periods of the current financial year or the preceding financial year.

6 Issuance and repayment of debt and equity securities

The Company has not issued nor repaid any debt and equity securities for the financial year to date.

7 Dividend paid

No dividend has been paid or declared by the Company since the end of the previous financial year.



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8 Segmental reporting

No segmental reporting is presented as the Group's activities operate within one industry, primarily of a total logistics service provider and in one geographical area, wholly in Malaysia. The other segments are not significant to be disclosed.

9 Valuation of property, plant and equipment

The valuation of property, plant and equipment has been brought forward from the previous audited financial statements and there were no revaluation of property, plant and equipment during the financial quarter under review.

10 Subsequent events

No event of a material nature has arisen that have not been reflected in the financial statement in the interval between the end of the current quarter and the date of this report, which is likely to affect substantially the results of the Group.

11 Changes in the composition of the Group

There were no changes in the composition of the Group for the current quarter under review.

12 Contingent liabilities

Contingent liabilities of the Company as at January 17, 2005, other than material litigation as disclosed in Note 23, since the last annual balance sheet date comprise:-

	As at 17/1/05 RM'000	As at 31/05/04 RM'000
Guarantees in favour of financial institutions for securing borrowings granted to subsidiaries		
- secured	9,370	9,060
- unsecured	8,232	6,901
	<u>17,602</u>	<u>15,961</u>



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NOTES TO THE INTERIM FINANCIAL REPORT

**SECTION B
DISCLOSURE NOTES AS REQUIRED UNDER BURSA MALAYSIA LISTING
REQUIREMENTS**

13 Review of performance

During the last quarter under review, the Group recorded a loss after taxation of RM0.39 million (FY2004, a loss of RM0.59 million) on the back of total revenue of RM10.94 million (FY2004, RM11.96 million). Overall net loss attributable to members was reduced from RM0.36 million in the preceding year corresponding quarter to RM0.17 million.

The Group's revenue decreased by 8.5% for the quarter under review as compared with the preceding year corresponding quarter. The Group recorded a gain on disposal of property and equipment amounted to RM0.09 million and recovery of bad and doubtful debts of RM0.03 million. Operating profit before depreciation and finance cost increased from RM1.12 million to RM1.33 million. In addition, the Group managed to reduce its depreciation/amortisation cost by 6.2% and finance cost by 11.5%. However, the Group recognised a loss of RM0.12 million being share of loss from the Associate Company in Singapore. The Group net loss before taxation was reduced from RM0.52 million to RM0.32 million for the quarter under review.

14 Variation of results against preceding quarter

	Current Quarter 30/11/04 RM'000	Immediate Preceding Quarter 31/08/04 RM'000	Variation %
Gross revenue	10,939	11,347	(3.6)
Loss before taxation and results from associated company	(201)	(612)	(67.2)

As compared against the immediate preceding quarter, the Group's revenue decreased by 3.6% from RM11.35 million to RM10.94 million. Other revenues contributed RM0.13 million and a lower depreciation and finance cost resulted in the improvement of the net loss before taxation and sharing of results from the Associated company from RM0.61 million to RM0.20 million.



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15 Prospect

In view of the Group’s degearing exercise, rationalization of its haulage subsidiaries and the recovery of its trucking services, the Group expects to improve its performance for the next two quarters.

16 Profit forecast

The Group is not involved in any profit guarantee arrangement or providing any forecast profit.

17 Taxation

	Current Quarter 30/11/04 RM'000	Current Year-to-date 30/11/04 RM'000
Current year provision	66	96
Under/(over) provision in prior year taxation	4	(68)
Deferred taxation	0	0
	70	28

The effective rate of taxation of the Group is higher than the statutory rate of taxation principally due to losses of certain subsidiaries which cannot be set off against profits made by other companies in the Group as no group relief is available.

18 Profit/loss on sale of unquoted investment and/or properties

There was no sale of unquoted investment and/or properties by the Group for the current quarter and financial year except for the followings :-

- a. On July 8, 2004, Transocean Biotec (M) Sdn Bhd, a sub-subsidiary company has entered into a Sale and Purchase Agreement to dispose off its double storey shop office, in Taman Samagahah, Permatang Pauh held under Lot no. 1635, Hakmilik Sementara no. H.S. (M) 144, Mukim 2, Daerah Seberang Perai Tengah, Pulau Pinang for a cash consideration of RM320,000.

The above transaction was completed on October 30, 2004 and recorded a gain on disposal amounted to RM73,320.

19 Quoted Securities

There was no purchase or disposal of quoted securities by the Group for the current quarter and financial year-to-date.

20 Status of corporate proposal

The Group has not proposed any corporate proposals since the beginning of the current financial year.



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21 Group borrowings and debt securities

Total Group borrowings as at November 30, 2004 were as follows :-

	Secured RM'000	Unsecured RM'000	Total RM'000
Long term borrowings			
Term loan	6,315	1,364	7,679
Hire-purchase and lease payables	1,535	0	1,535
	<u>7,850</u>	<u>1,364</u>	<u>9,214</u>
Short term borrowings			
Overdrafts	7,106	3,134	10,240
Revolving credits	700	1,500	2,200
Term loan	3,445	936	4,381
Hire-purchase and lease payables	1,344	0	1,344
	<u>12,595</u>	<u>5,570</u>	<u>18,165</u>
Total Borrowings	<u>20,445</u>	<u>6,934</u>	<u>27,379</u>

As at November 30, 2004, the Group does not have any exposure in borrowings and debt securities denominated in foreign currency.

22 Off balance sheet financial instruments

The Group does not have any financial instruments with off balance sheet risk as at January 17, 2005

23 Material litigation

The Group is not engaged in any material litigation and is not aware of any proceedings, which might materially affect the position or business of the Group as at January 17, 2005.

24 Dividend

The Directors do not recommend the payment of any dividend in respect of the current financial period under review.



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25 Loss per share

	Current Year Quarter Ended 30/11/04	Preceding Year Quarter Ended 30/11/03	Current Year-To-Date Ended 30/11/04	Preceding Year-To-Date Ended 30/11/03
Net loss for the period (RM'000)	(168)	(364)	(572)	(1,118)
No of ordinary shares in issue ('000)	28,999	28,999	28,999	28,999
Basic loss per share (sen)	(0.58)	(1.26)	(1.97)	(3.86)



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NOTES TO THE INTERIM FINANCIAL REPORT

**SECTION C
ADDITIONAL DISCLOSURE**

26 Listing requirement of the minimum paid-up capital

As stipulated under the Securities Commission's Policies and Guidelines on Issue/Offer of Securities and the Bursa Malaysia Listing Requirements, the minimum issued and paid-up capital of a company listed on the Second Board of Bursa Malaysia shall be RM40.00 million.

On June 30, 2004, the Company was categorized as an undercapitalized company as its paid-up share capital is RM29.00 million.

The Directors are pursuing this matter to ensure compliance with the requirement.

By order of the Board
Dated 19th day of January, 2005